



DEFENSE LOGISTICS AGENCY
THE DEFENSE CONTRACT MANAGEMENT COMMAND
8725 JOHN J. KINGMAN ROAD, SUITE 2533
FT. BELVOIR, VIRGINIA 22060-6221

JUN 23 1997

IN REPLY
REFER TO AQBD

MEMORANDUM FOR COMMANDERS, DEFENSE CONTRACT MANAGEMENT DISTRICTS
COMMANDERS, DCMC CONTRACT ADMINISTRATION OFFICES

SUBJECT: DCMC Memorandum No. 97-57, Standard Business Case Format
(POLICY)

This is a POLICY memorandum. Target Audience: Districts and CAO Commanders.

As indicated in the FY 98 Business Intent Plan, Business Cases shall be submitted by Contract Administration Offices (CAOs) to support their requests for changes in Full Time Equivalents (FTEs) resulting from changes to workload. The use of Business Cases is not limited to FTE requests, CAOs shall also use the Business Case to support request for non-labor changes.

The Business Case is a crucial component in the Resource Utilization Council (RUC) decision making process, and as such it must contain sufficient information to make sound business decisions. In the past, several Business Case formats were used which made retrieving data and comparing needs difficult. As a result of these difficulties the Business Process Team (BPT) recommended that a standard format be developed, and this recommendation was endorsed by the RUC.

The Districts and DCMC Headquarters Staff identified the types of data they would need to make informed decisions. The attached format is a compilation of District and Headquarters recommendations and shall be used by all CAOs when submitting a Business Case. Business Cases that require adjustments that cannot be accomplished at the District level shall be submitted to the BPT for review and forwarding to the RUC.

Questions or suggestions concerning the Business Case format may be directed to Mr. Scott A. Blank, AQBD, (703) 767-3386 or DSN 427-3386, email: scott_blank@hq.dla.mil.

ROBERT W. DREWES
Major General, USAF
Commander

Attachment

BUSINESS CASE FORMAT

(Address those areas below as they pertain to your particular situation)

1. PURPOSE OF BUSINESS CASE:

a. Reference: Resource Utilization Council (RUC) Proposed Ground Rules, dated December 17, 1996.

b. Summary Description of Requirement(s): (State whether the business case is for new work, transferred work, non-labor changes (e.g. O/T, training, facilities, equipment, PCS, travel, etc.), or to request changes to the RUC's annual FTE allocation. Identify any unique concerns (e.g. admin. support).

c. CAO Background: (Where applicable, describe program name(s), program phase(s), timeline(s) for critical events, discussion of specific delegated CAS responsibilities, etc. Include current and proposed CAO Organization Chart, with series/grade/rank information, vacancies, and team breakouts, as Attachment 1).

d. New Work and Schedule: (If applicable, describe customer, support or prime contract, date of award, obligated dollars, and contractor's production and business schedule (e.g. FY 4th Qtr)). Indicate proposed timing for implementation).

e. Transferred Work and Schedule: (If applicable, discuss what District and/or CAO work is transferring from/to; workload count (i.e. number of contracts); the number of affected FTEs (from losing and gaining CAO); affected series/grade of FTEs; and time frame(s) of transfer. Include information/agreement of level of transferred work and FTEs between affected CAO Commanders).

2. RESOURCES:

a. Current Resource Baseline Summary:

	FY97	FY98	FY99
Full-Time Permanent (FTP)			
Full-Time Temporary (FTT)			
Part-Time Permanent (PTP)			
Part-Time Temporary (PTT)			
Stay-in-Schools/Summer Hires			
Current Onboard-Civilians			
Current Onboard-Military			
Resource Estimator Model			
RUC Authorized FTEs			
Number of FTEs Overtime			
Number of FTEs Comp Time			
Current FTE Burn Rate		N/A	N/A

b. Current Resources By Series/Grade or Rank: (Provide copy of organization chart)

d. Proposed Non-Labor Changes:

Object Class Title	Object Class Code	Prior Year Expenditure	Current FY AOB	Actuals To Date	Proposed Changes + or (-)

(Provide a description of any changes listed in the table above).

3. ANALYSIS:

a. Resource Estimator: Performance Based Assessment Model (PBAM) Risk Levels: (List date PBAM performed and rating (High, Medium, Low). Include a copy of the PBAM. If the PBAM has not been performed, what risk has been assigned based upon internal risk assessment? Provide criteria).

Geographic CAO	Business	Technical

Resident CAO	End Product	Schedule	Cost

b. Technology: (Discuss how risk/technology will change as a result of proposed workload changes. Does new/transferred work, contract or program involve new technology or new processes? If yes, how will it affect DCMC surveillance? Does new/transferred work, contract or program involve existing technology or existing contractor processes?).

c. Single Process Initiative (SPI): (Discuss SPI and impact if implemented. Has impacted contractor submitted a concept paper? If yes, describe process and status of paper. Will approval of paper impact new/transferred work, contract, or program? If a concept paper has not been submitted, is one forthcoming? What is the process and proposed impact on the new/transferred work? Is the management council active?).

d. Performance: (As it pertains to impacted areas)

(1) Unit Self Assessment (USA) Results:

(2) Internal Operational Assessment (IOA) Results:

(3) Discussion of Process Surveillance Results and Adjustments Made Based Upon These Results.

(4) Backlogs:

(5) Other (Specify):

4. WORKLOAD TREND DATA:

(Complete Attachment 3 worksheet. Add any necessary explanation here).

5. METRICS:

a. **Facility:** *(Discuss areas rated red or yellow only if attributed to inadequate resources):*

b. **CAO:** *(Discuss areas rated red or yellow only if attributed to inadequate resources):*

6. PERFORMANCE LABOR ACCOUNTING SYSTEM (PLAS) DATA:

(Include the following reports as Attachment 4: PLAS Process Summary (civilian), Summary by Team by Process (civilian), and Overtime by Process using Powerplay (civilian). Data should be for past 12 months and include a notation when workload change(s) arrived or will arrive. Also identify overtime, compensatory time, and other hours expended at facility).

7. PERFORMANCE PLAN ADJUSTMENTS:

Performance Goal Number	Process/ PLAS Code	Planned Hours	Actual Hours	FTE Equiv	Requested Hours + or (-)	Planned Units	Actual Units	Units + or (-)	Performance Planned	Performance Actual

(Discuss proposed changes to your current CAO Performance Plan. This includes an analysis of actual hours/units against those planned and the impact of the new/transferred work or non-labor resources. What and how many new work units will be generated by the additional resources? What results are the existing resources providing? Is the CAO meeting its planned hours and unit goals for the processes being supplemented? What goals/efforts will be reduced if no additional FTEs/non-labor resources are allocated?).

8. DISCUSSION OF EFFORTS TO MAXIMIZE USE OF EXISTING RESOURCES:

(For business cases requesting additional FTEs, discuss how the new/transferred work fits with existing workload and priorities. Identify alternatives that include proposed tradeoffs for the proposed additional FTEs. If additional FTEs are not allocated how will CAO reallocate current resources to accommodate new work? Identify any realignments/RIF/VERA/VSIP or other sources of resources. Also discuss efforts to reduce the risk to the Government and hence the need for additional resources. Discuss efforts to increase the contractor's PROCAS maturity, SPI standardization efforts, acquisition reform initiatives, and other techniques).

9. IMPACT IF ADDITIONAL RESOURCES ARE DISAPPROVED:

(Specifically identify organizational, performance and mission impacts. Discuss, if applicable, customer's perspective (e.g. management councils). Identify what performance goals will not be achieved; what will slip; what will not get done; what is change to risk? Discuss any other factors that may bear on this case.)

Attachments

1. Current and Proposed Organization Charts
2. CAO Performance Based Assessment Model (if applicable)
3. CAO Workload Trend Data (Attachment provided for CAO to complete)
4. PLAS Reports

GEOGRAPHIC CAOs	Previous FY	Current FY	Current FY +1	Current FY +2	Current FY +3
# of Part A Contracts					
Face Value of Part A Contracts					
Part A Contract ULOs					
# of Part B Contracts					
Face Value of Part B Contracts					
Part B Contract ULOs					
# of Contractors					
# of Contractor Personnel					
# of CAO Personnel					
IN-PLANT CAOs					
Total Government Sales					
Total Program Sales					
Total Contractor Personnel					
CAO FTEs					
Onboard CAO Personnel					
Identify Sales by Program (for programs driving CAO workload)					